

PART III FISCAL YEAR 2002 RESOURCES

To carry out its mission, goals and programs, DHCD relies primarily on federal funding. Funds from the U.S. Department of Housing and Urban Development typically comprise three-quarters of the Department's budget, with the remainder coming from local appropriated funds and loan repayments. DHCD also has access to other financing sources, such as Low Income Housing Tax Credits and local Capital Improvement Fund dollars that are not recorded on its budget.

A Federal and Local Public Funding

1. Grants and Appropriations

During FY 2002, the District of Columbia received a total of \$41,539,000 in entitlement grants from the U.S. Department of Housing and Urban Development (HUD), broken out as follows:

- Community Development Block Grant \$24,334,000
- HOME Investment Partnerships Program 7,654,000
- Emergency Shelter Grant 830,000
- Housing Opportunities for Persons with AIDS (HOPWA) 8,721,000

In addition to the entitlement funds received during FY 2002, the District had additional federal funds:

- Community Development Block Grant program income..... \$20,032,099
- Community Development Block Grant previous year carry over 25,272,868
- HOME Investment Partnerships Program program income..... 400,000
- HOME Investment Partnerships Program previous year carry over..... 6,670,440
- Emergency Shelter Grant previous year carry over..... 1,626,260⁶

Finally, DHCD received \$6,499,147 in local appropriations and \$8,006,274 in other program repayments.⁷ Removing funds for the HOPWA program - which is administered separately and discussed in Part VIII⁸ - there was a total of \$57,031,255 budgeted for FY 2002 without the carryover, and a total of \$101,682,923 available funds in FY 2002. See Table 3 and also the footnote below⁹ for an explanation of carryover funds. Note that the local/other funds shown in Table 3 reflect initial budgeted amounts, not final receipts from the District.

⁶ Prior year funds are committed for ongoing rehabilitation, FY 2002 shelter operations, or disbursements to the DC Emergency Assistance Fund for prevention.

⁷ DHCD also held a balance of \$22,549,183 in the local Housing Production Trust Fund but did not have authority from the Council of the District of Columbia to spend these funds.

⁸ HUD allocates the Housing Opportunities for Persons with AIDS (HOPWA) program funds to District of Columbia, Suburban Maryland, Northern Virginia, and West Virginia region; the District's share of this regional allocation was \$3,668,092 and was administered through the HIV/AIDS Administration, D.C. Department of Health.

⁹ Carryover funds represent funding that was not obligated or committed in prior years, as well as funds that were committed in a previous year, but which the project sponsor has not yet drawn from the Department. If a non-profit housing developer spends \$2,000,000 of a \$3,000,000 grant in FY 2001,

Table 3: Available FY 2002 Funding

Program	FY 2002 Funds	Program Income	Subtotal - FY 2002 Budgeted Funds	Unanticipated Income	Prior Year Carryover Funds	Total Funds Available in FY 2002
CDBG	\$ 24,334,000	\$ 8,950,000	\$ 33,284,000	\$ 11,082,100	\$ 25,272,868	\$ 69,638,968
HOME	7,654,000	400,000	8,054,000	-	6,670,440	14,724,440
ESG	830,000	-	830,000	-	1,626,260	2,456,260
Local / Other	14,863,255	-	14,863,255	-	-	14,863,255
Total	\$ 47,681,255	\$ 9,350,000	\$ 57,031,255	\$ 11,082,100	\$ 33,569,568	\$ 101,682,923

Prior year ESG funds are committed for ongoing rehabilitation, FY 2002 shelter operations, or disbursements to the DC Emergency Assistance Fund for prevention.

2. FY 2002 Budget Allocations

In FY 2002, DHCD allocated the budgeted funding shown in the highlighted column of Table 3 above among its programs as shown in the following tables:

Table 4: FY 2002 CDBG Program (CD-27) Budget

1. Homebuyer Assistance and Housing Recycling and Preservation	
- Home Purchase Assistance Program	960,190
- Homeownership Developers' Incentive Fund	197,000
- Homestead Housing Preservation Program	628,171
- Single-Family Residential Rehabilitation Program	1,186,762
- Tenants Apartment Purchase Program	0
Subtotal	\$ 2,972,123
2. Affordable Housing Production	
- Construction Assistance Program	10,304,600
- Multi-Family Housing Rehabilitation Program	1,097,591
- Affordable Housing Production Assistance Program	400,000
Subtotal	\$ 11,802,191
3. Community Organization Support	
- Neighborhood Development Assistance Program (NDAP)	4,764,735
- Community-Based Organizations Neighborhood Services Program	1,340,000
- Neighborhood Initiatives Support Program (NISP)	1,000,000
- Special Grants Program	3,200,000
- Community Activities and Services Support Program	140,000
Subtotal	\$ 10,444,735

the remaining \$1,000,000 is carried over (but not budgeted) into FY 2002 as available funding. It is available to be spent, but not to be awarded.

4. Economic and Commercial Development	
- Economic Development Program	500,000
- Urban Renewal and Community Development Property Management	808,215
- Community Development Planning Contracts and Studies	100,000
Subtotal	\$ 1,408,215
General Administration and Overhead	6,656,816
Total	\$ 33,284,080

Table 5: FY 2002 HOME Program Budget

1. Homebuyer Assistance and Housing Recycling and Preservation	
- Home Purchase Assistance Program	1,876,500
- Single-Family Residential Rehabilitation Program	524,000
Subtotal	\$ 2,400,500
2. Affordable Housing Production	
- Construction Assistance Program	2,500,000
- Multi-Family Housing Rehabilitation Program	700,000
- Community Housing Development Organization set-aside	1,148,100
- Housing for Elderly, Disabled and Dependent (HoFEDD)	500,000
Subtotal	\$ 4,848,100
3. Program Monitoring and Administration	805,400
Total	\$ 8,054,000

Table 6: FY 2002 Emergency Shelter Grant Program Budget

1. Homeless Support and Prevention	
- Emergency Shelter Grant Program	788,650
Program Administration and Monitoring	41,350
Total	\$ 830,000

Table 7: FY 2002 Local / Other Funds Budget

1. Homebuyer Assistance and Housing Recycling and Preservation	
- Home Purchase Assistance Program	8,746,274
- Homestead Housing Preservation Program	1,119,743
- Single Family Residential Rehabilitation Program	1,142,000
- Land Disposition	750,000
Subtotal	\$ 11,758,017
2. Affordable Housing Production	
- Multi-Family Housing Rehabilitation Program	800,000
- Land Acquisition for Housing Development Organizations	416,000
Subtotal	\$ 1,216,000

3. Economic and Commercial Development	
- Economic Development Marketing Plan	440,169
4. General Administration and Overhead	1,051,714
Total	\$ 14,465,900

*The final allocation of local funding was slightly different from the initial budget of \$14,863,255 because of subsequent reductions.

B. Leveraged Funds

Home Ownership: DHCD provided more than \$6.1 million in direct loans of federal and local funds through the Home Purchase Assistance Program (HPAP), to support homeownership opportunities for low- and moderate-income residents.¹⁰ The HPAP borrowers in turn leveraged \$42.8 million in private financing - a private:public ratio of 7.0:1.

Development Finance: The grant award criteria of the District's housing and community development programs require the maximum use of private financial resources. Public funds are used to "close the gap" in providing the financing needed for selected projects. Therefore, the District's housing production programs are expected to leverage a significant level of private funds. At the same time, however, DHCD recognizes that - with the District's high real estate costs - projects that serve lower income households will require higher levels of subsidy. In FY 2002, the Development Finance Division leveraged approximately \$3.60 for every dollar of HOME or CDBG.

In total, DHCD leveraged \$3.84 for every dollar of HOME and CDBG spent on housing, commercial facilities and community facilities.

¹⁰ DHCD also provided \$3.0 million in FY 2001 HOME funds to the D.C. Housing Finance Agency (DCHFA) to write down the interest rate on mortgages to income-eligible first-time homebuyers. These funds leverage private dollars through the bond market for single-family mortgages. DCHFA made 30 mortgage loans using HOME-supported bond proceeds in FY 2002 using FY 2001 funds.